Inquiry into IPO scam

2269. SHRI GIREESH KUMAR SANGHI:
SHRI SANTOSH BAGRODIA:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether he has recently indicated that his Ministry proposes to look into the recent IPO scam;

(b) if so, whether this enquiry would be independent of the inquiries being conducted by the RBI and SEBI; and

(c) if so, the details of its terms of reference?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) Yes, Sir.

(c) To ascertain the role played by different persons and companies involved in cornering of shares issued through IPOs of Yes Bank and IDFC through multiple applications and to enable legal action against the same under Companies Act, 1956.

Dual responsibility of investors

2270. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that some of the institutional investors in the country have fiduciary responsibility while many investors have only corporate responsibility in terms of protecting the return on their investments;

(b) if so, whether Government propose to address this dichotomy with details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Several classes of investors operate in Capital Market, including institutional and corporate investors. Both institutional as well corporate investors have fiduciary and corporate responsibilities in respect of the investments made by them. Fiduciary responsibilities of investors, however, would vary depending upon the stakeholders represented by them.

(b) and (c) Keeping in view the complexities involved in capital market operations due to multiplicity of interest and stakeholders involved,

regulatory institutions such as SEBI, RBI etc. have been established pursuant to statutes that also prescribe the legal framework for regulation of the capital market in the interest of all stakeholders.

Grants-in-aid for tricentenary anniversary of Gur-Ta-Gaddi

2271. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Maharashtra has sought sanction of maximum grant-in-aid for tricentenary anniversary of Gur-Ta-Gaddi at Nanded city; and

(b) if so, Central Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The State Government has sought financial assistance of Rs. 425 crore for tricentenary anniversary of 'Gur-Ta-Gaddi' at Nanded city to be held in 2008.

(b) At the discussion held on 8.2.2006 between Deputy Chairman, Planning Commission and Chief Minister, Maharashtra to finalize the Annual Plan 2006-07 of Maharashtra, it was agreed to provide Additional Central Assistance of Rs. 125 crore for Nanded city.

Smuggling of currency to Hong Kong

2272. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Indian currency is being freely traded in Hong Kong these days;

(b) whether it is also a fact that Indians are not allowed to take with them Indian currency abroad; and

(c) whether Government have the circumstances in which the Indian currency was smuggled abroad and if so, with what results?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Local newspapers in Hong Kong are quoting rates of exchange for Indian currency vis-a-vis HK$. However these rates are not indicated by Hong Kong Banks Association or the Hong Kong Monetary Authority (HKMA). It may be mentioned that HKMA has not authorized Banks for purchasing Indian Rupees and even Indian Banks in Hong Kong are not to entertain deposits in Indian Rupees.